

**Benefit Funds - Dental Insurance Fund****Fund 155****BENEFIT FUND OVERVIEW:**

San José Municipal Code section 4.80.2000 establishes a single fund, the “Benefit Fund”, for the deposit and accounting of moneys related to the provision and financing of benefits to City employees, retirees, and their spouses. The various “funds” to which moneys are allocated are accounted for within the Benefit Fund.

**PURPOSE OF THE FUND:**

The Dental Insurance Fund was established to account for the costs of dental benefits for City employees, City Councilmembers, and dependents as required by applicable resolutions, ordinances, or contracts. Any contributions required to be made for dental claims must be deposited into this fund.

Moneys in the Dental Insurance Fund must be expended for expenses of providing dental insurance. Revenues are credited each pay period using rates determined by the Human Resources Department multiplied by the number of employees per department, per rate for the City’s contribution. In addition, contributions from part-time employees are credited to this fund. The fund also receives transfers from the retirement funds to pay for retiree dental benefits. Dental claims payments are made via electronic transfer on a weekly basis.

Reserves in this fund are calculated and validated every year by an actuary and are maintained in amounts sufficient to cover any anomalous claims activity and meet the outstanding claim and administrative liabilities if ever the City were to stop self-insuring.

**AUTHORITY FOR THE FUND:**

San José Municipal Code sections 4.80.2000 through 4.80.2030. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

**SOURCE OF FUNDS:**

- Employee and retiree contributions
- Interest earnings
- Transfers from City and Retirement Funds

**FUND RESTRICTIONS:**

Due to the fact that employee contributions are a source of funding for this fund, funds may not be removed from this fund to be used for some other purpose. Increases in contribution are not subject to the requirements of Proposition 218.

**Benefit Funds - Dental Insurance Fund****Fund 155****LEAD RESPONSIBILITY:**

Human Resources Department

**FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund- Special Revenue

**Budget Location:**

Adopted Operating Budget

**Funding Sources Resolution and Appropriation Ordinance Location:**

Section 16.03

**NOTES:**

Currently, the City offers a choice of two dental insurance plans: Delta Dental Plan of California and the Dental Benefit Providers (DBP) Plan. A Dental-in-Lieu Plan is available for employees who have alternative coverage through another group dental plan.